# How to Apply for a Bingo License

This brochure is for general informational purposes only, to assist in compliance with current bingo laws and rules. In case of inconsistency or omission, the Arizona Revised Statutes and/or the Arizona Administrative Code will prevail over the language in this publication.

### The Game of Bingo

Bingo is a game of chance. Players pay to play in the hope of winning a prize. Anyone who conducts games of bingo with prizes and charges players to play bingo must obtain a bingo license.

The purpose of this brochure is to provide the basic information you will need to apply for and obtain a bingo license.

Bingo is legal in the State of Arizona for recreational purposes or to allow certain types of nonprofit organizations to generate funds to support their activities.

Special laws govern the way bingo is to be conducted. These laws are enforced by the Arizona Department of Revenue Bingo Section. Failure to comply with bingo laws and rules could lead to the loss of the license to conduct games. Because criminal charges could result from non-compliance, prospective licensees are encouraged to obtain copies of the bingo laws and rules and become familiar with the requirements.

To obtain a copy of the laws and rules, send a check for \$3 with a note requesting a copy of Arizona Revised Statutes, Title 5, Chapter 4, and Arizona Administrative Rules, Title 15, Chapter 7, to the following address:

### Office of the Secretary of State Publications Division Room 103 1700 W Washington Phoenix AZ 85007

After obtaining and reviewing this material, contact the Bingo Section to discuss any questions you have. The Bingo Section will help identify the type of license for which you qualify. All the forms and instructions needed to apply for a bingo license will be furnished.

### **Three Types of Licenses**

A new bingo license applicant may apply for either a Class A, Class B, or Class C license.

#### Class A License

- 1. The Class A license is designed for people who wish to play bingo primarily for recreational purposes.
- 2. While the Class A license is not intended for profit, there is no stipulation that you may not make a profit.

- 3. Any person or group may apply for a Class A license.
- 4. The Class A licensee is restricted to gross sales of \$15,600 per year or less. This limitation on the gross receipts represents an average of \$300 per week.
- 5. A Class A licensee has no membership or organizational requirements.
- 6. Bingo games may not be conducted with rented bingo equipment.
- 7. Licensing fees include a one-time fee of \$5 payable to the local governing body (such as a city or county) and an annual \$10 license fee payable to the Arizona Department of Revenue.
- 8. Class A licensees file an annual financial report and pay a tax of 2.5% on the amount of money left after paying bingo prizes.

### Class B License

- 1. The Class B license is designed to allow qualified organizations to generate funds to help support their lawful activities.
- 2. Gross receipts may range up to \$300,000 per year. If a licensee finds that they are going to exceed \$300,000 gross receipts in a year, they must apply for Class C license.

# **Bingo License**

- 3. The Class B license may be obtained only by qualified organizations. Qualified organization is defined as a homeowner's association or any bona fide charitable, social, fraternal, religious, veterans or volunteer fire fighters organization, or nonprofit ambulance service. A qualified organization must be non-profit.
- 4. Applicant organizations must have been in existence in Arizona continuously for two years immediately preceding the application for the license.
- 5. All persons who participate in any manner in conducting games of bingo must be members of that organization.
- 6. Bingo games may not be conducted with rented bingo equipment.
- 7. Bingo funds may not be mixed with any other organization's funds and must be kept in a special bingo checking account.
- 8. Prize amounts are limited to \$1,000 for a single game and \$3,000 for the entire occasion unless a Special Bonus Game license has been obtained first.
- 9. Licensing fees include a one-time fee of \$25 payable to the local governing body and an annual \$50 license fee payable to the Department of Revenue.

10. Class B licensees file quarterly financial reports and pay 1.5% of their gross receipts as a bingo tax.

#### Class C License

A Class C license is required if the annual gross receipts exceed \$300,000; otherwise, all information is the same as for a Class B license.

Qualified organizations applying for a new bingo license are urged to apply for a Class B license instead of a Class C license. This saves the organization money on its license and bingo tax. If the bingo operation grows sufficiently to require a Class C license, there is a simple procedure for upgrading the license at that time.

For further information or assistance, write or call the Bingo Section in either Phoenix or Tucson.

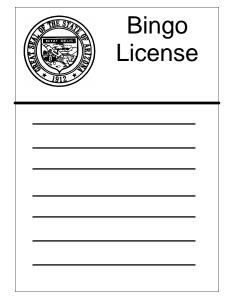
## **Arizona Department of Revenue Bingo Section**

1600 W Monroe Phoenix AZ 85007-2650 (602) 716-7801

#### -or-

400 W Congress Tucson AZ 85701 (520) 628-6438

This publication is available in an alternative format upon request.



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